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## Service Plan

Fiscal Year 2009

The Division of Risk Management (hereinafter “DRM”) provides property, casualty, and liability insurance coverage, claims administration, and loss control services to the participating insureds of the Risk Management Fund. Among those insureds are all state agencies, all public school districts, all public institutions of higher education, and most of the public charter schools. Utah Code Title 63A, Chapter 4, mandates the appointment of a risk manager, iterates the duties and powers of the risk manager, establishes the Risk Management Fund (hereinafter “Fund”), and directs the administration of the Fund. Critical to the administration of the Fund is the Governmental Immunity Act, Utah Code Title 63G, Chapter 7, which limits the exposure of the fund and the settlement authority of the risk manager. This Service Plan is prepared in compliance with Section 63A-1-111 of the Utah Code. Questions regarding the plan should be directed to Roger Livingston, Director, at 801-538-9598 or at [rlivingston@utah.gov](mailto:rlivingston@utah.gov).

What are the services we provide?	What are the methods used to provide each service?	What are the standards of performance for each service?	What performance measures are used to gauge compliance with the standards?
Property / Casualty / Liability Insurance Processes	<ul style="list-style-type: none"> <li>Perform actuarial review based upon property values/ locations/uses; vehicle type/use; and actual loss history</li> <li>Submit rate proposals to the Rate Committee (UCA 63A-1-114)</li> <li>Receive rate approval from Legislature (UCA 63-38-3.5)</li> <li>Draft/revise insurance policy</li> </ul>	<ul style="list-style-type: none"> <li>Timely submit accurate, thorough loss history information to actuary</li> <li>Timely submit premium proposals to Rate Committee</li> <li>Issue copy of policy to all insureds</li> <li>Issue employee coverage information to each school district and charter school (UCA 63A-4-204 &amp; 204.5)</li> </ul>	<ul style="list-style-type: none"> <li>Complete and submit loss history analysis to actuary by July 1st</li> <li>Complete and submit preliminary rate information to DAS Executive Director by August 15th</li> <li>Send copy of policy to each insured on or before August 1st</li> <li>Send employee coverage information to each school district and charter school by March 31st</li> </ul>

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<b>Certificate of Insurance Processes</b>	<ul style="list-style-type: none"> <li>• Application for Certificate of Insurance available on website</li> <li>• Building Survey form provided to obtain valuation/location/use information (we are currently working with DTS to make this form available on our website)</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure Application is available at all times during regular business hours</li> <li>• Remind all insureds to submit building survey forms whenever there is new construction, an occupancy change, or a substantial alteration of an existing building</li> </ul>	<ul style="list-style-type: none"> <li>• Issue a certificate of insurance within 48 hours after the receipt of a legitimate, appropriate application</li> <li>• Send every insured notice of the facilities covered by the Fund by June 15th of each year with a request for update</li> </ul>
<b>Claims Administration Processes</b>	<ul style="list-style-type: none"> <li>• Provide claim intake and notification services for insureds and claimants</li> <li>• Review claims to determine coverage</li> <li>• Determine and establish appropriate reserve levels</li> <li>• Negotiate and communicate with claimants, witnesses, client agencies, and legal counsel</li> <li>• Request payment of deductibles from client agencies/insured's</li> <li>• Tender payment of negotiated settlements</li> <li>• Recover subrogation interests</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct prompt, professional claim intake without jeopardizing notice requirements of Governmental Immunity Act</li> <li>• Conduct thorough, professional loss investigations by interviewing witnesses, evaluating physical evidence, and engaging appropriate experts</li> <li>• Communicate professionally with and respond promptly to all client agencies/insured's, claimants, witnesses, and legal representatives when appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance is measured by a quarterly in house claims audit conducted by the claims manager and another member of the claims staff</li> <li>• Compliance is measured by an independent claims audit conducted by a professional claims audit firm.</li> <li>• Adjustors are required to comply with all claims handling requirements set forth by the Utah State Insurance Department.</li> <li>• Promptly reply to all telephone messages from claimants, witnesses, and legal representatives</li> <li>• Review each open claim file at least monthly</li> <li>• Document all communications and interactions in Claims Management System</li> <li>• Process settlement checks and release/waiver documents promptly after a negotiated settlement</li> </ul>

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Loss Control Service Processes	<ul style="list-style-type: none"> <li>Consult daily with our insureds' legal, managerial, and administrative staff to address and avoid liability</li> <li>Provide organization-specific and general liability awareness and avoidance training</li> <li>Provide on-site inspections to effect training and assess/address hazardous conditions</li> <li>Provide on-line self-inspection survey to assist insureds in understanding and identifying hazardous conditions</li> <li>Provide relevant risk-avoidance information on our website</li> </ul>	<ul style="list-style-type: none"> <li>Provide prompt and competent guidance to our insured's to avoid liability and cure harmful conduct and/or conditions</li> <li>Research and communicate general and agency-specific liability causes, trends, and effective cures</li> <li>Provide competent, supportive, and relevant liability awareness and avoidance training</li> <li>Maintain an accurate database of insured properties to facilitate accurate, useful survey results</li> <li>Utilize self-inspection survey reports to generate premium credits and cure hazardous conditions</li> <li>Develop and provide professional, informative website for dissemination of information</li> </ul>	<ul style="list-style-type: none"> <li>Reply to all phone messages from insured representatives by the end of the next business day</li> <li>Attend at least one relevant subject matter training during each fiscal year</li> <li>Read and/or research relevant subject matter literature weekly</li> <li>Achieve a rating of 4 or greater (scale of 1 – 5) on all training seminars</li> <li>Send every insured notice of the facilities listed in the self-inspection survey database by March 1<sup>st</sup> of each year with a request for update</li> <li>Participate in each assigned insured's risk control meeting as requested or needed to review results of the self-inspection survey and review agency-specific liability causes, trends, and effective cures</li> <li>Conduct 20 site inspections monthly</li> <li>Provide 8 liability awareness/avoidance training presentations to a total of 120 participants monthly</li> <li>Update website monthly</li> <li>Publish and disseminate RiskWatch periodical quarterly</li> </ul>

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Workers' Compensation Coverage Processes <sup>1</sup>	<ul style="list-style-type: none"> <li>• Provide a guaranteed-premium policy covering work-related injury claims for all state employees</li> <li>• Train agency workers' compensation administrators to manage workers' compensation claims</li> <li>• Consult with agency claim managers and confer with representatives/adjusters from the Workers Compensation Fund to foster the expeditious and fair handling of employee claims</li> <li>• Provide an effective disability prevention program</li> </ul>	<ul style="list-style-type: none"> <li>• Consistently track every workers' compensation claim that involves lost time</li> <li>• Regularly assess each agency's performance in claim management</li> <li>• Collaborate with Workers Compensation Fund representatives to provide relevant, effective training for agency claim managers</li> <li>• Assist each agency in developing and maintaining an effective return to work program</li> <li>• Provide competent, professional ergonomic assessments/worksites recommendations for requesting agencies to reduce work-related disabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Reply to all phone messages from agency claim managers and WCF representatives by the end of the next business day</li> <li>• Attend at least one relevant subject matter training during each fiscal year</li> <li>• Attend all depositions and hearings in contested matters</li> <li>• Reading and/or research relevant subject matter literature weekly</li> <li>• Achieve a rating of 4 or greater (scale of 1 – 5) on all training seminars</li> <li>• Participate in each assigned insured's risk control meeting at least once per year to review claim causes, trends, treatment issues, return to work programs, and effective corrective measures</li> <li>• Meet at least quarterly with each agency's claim manager and Workers Compensation Fund adjusters to track time-loss claims</li> <li>• Meet twice per year with Workers Compensation Fund adjusters to track claim causes, trends, treatment modalities, return to work programs, and effective corrective measures</li> </ul>
What are the costs associated with each service?			

<sup>1</sup>This coverage is currently provided to our state agencies through the Workers Compensation Fund (hereinafter "WCF"). All school districts, charter schools, and institutions of higher education are separately responsible to provide and maintain workers compensation coverage.

<b>INSUREDS</b>	<b>COST ITEMS</b>	<b>COSTS PAID/CHARGED</b>
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	General Liability Premiums	\$14,103,200
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	Property Premiums	\$11,619,100
Participants of the Risk Management Fund: all state agencies, all public school districts, most public charter schools, and all public institutions of higher education	Automobile Premiums	\$1,317,700
All State Agencies	Workers Compensation Premiums	\$8,069,600